

**Iowa Department of Natural Resources
Natural Resource Commission**

ITEM

15

DECISION

TOPIC

Concession Contract Amendments – Lake Macbride State Park and Pleasant Creek State Recreation Area

Staff received requests from two concession operators to reduce their 2008 concession fee due to the flooding that occurred this year.

Lake Macbride State Park – Lake Macbride Boat Rental, Inc. – Tina Hoffman

Ms. Hoffman's 2008 concession fee is \$12,151, plus 8% of gross receipts over \$85,000. Lake Macbride experienced flooding in June which resulted in five feet of water in the storage and concession rental building at Lake Macbride. In addition a boat ban was placed on the lake. During this period of time, (approximately 17 days), the concession was not able to operate. Ms. Hoffman requested a reduction in the concession fee because of the flood-related closure. Staff reviewed Ms. Hoffman's revenue for June in 2007 and 2008. June 2007 accounted for 24% of Ms Hoffman's gross revenue. This year, Ms. Hoffman grossed approximately 25% of what she grossed in June 2007. Staff used the following formula to determine a reduction of the concession fee.

June 2007 = approx. 24% of last year's gross
June 2008 = approx. 25% of June 2007's gross
2008 concession fee = \$12,151

$\$12,151 \times 24\% = \$2,916.24 \times 75\% = \$2,187.18 = \text{proposed fee reduction}$

Staff recommends amending the 2008 concession fee by \$2,187.18 due to the impact the floods had on the concession operation. The amended concession fee would be \$9,963.82 plus 8% of gross receipts over \$85,000.

Pleasant Creek State Recreation Area – Jesse's Marina – Jessica Grieder

Ms. Grieder's 2008 concession fee is \$3,700. While the lake at Pleasant Creek did not flood, the flooding at Palo and surrounding areas limited access to the park. At times, there was no access to the park. As a result there was little, if any, traffic at the concession operation for approximately 2 weeks. Ms. Grieder requested a reduction in the concession fee due to the impact of the flooding. Staff reviewed Ms. Grieder's revenue for June 2007 and June 2008. June 2007 accounted for 32% of last year's gross revenue. This year, Ms. Grieder only grossed 32% of what she grossed in June 2007. Staff used the following formula to determine a reduction of the concession fee.

June 2007 = approx. 32% of last year's gross
June 2008 = approx. 32% of June 2007's gross
2008 concession fee = \$3,700

$\$3,700 \times 32\% = \$1,184 \times 68\% = \$805.12 = \text{proposed fee reduction}$

Staff recommends amending the 2008 concession fee by \$805.12 due to the impact the floods had on the concession operation. The amended concession fee would be \$2,894.88.

Commission approval is requested to amend the 2008 concession fees for Lake Macbride Boat Rental, Inc. at Lake Macbride State Park and Jesse's Marina at Pleasant Creek State Recreation Area.

Kevin Szcodronski, Parks Bureau Chief
Conservation and Recreation Division
September 11, 2008